

Rio Tinto

Kennecott Utah Copper Corporation  
Smelter Environmental Control Center  
11500 West 2100 South  
Magna, UT 84044  
801.569.7427

M0350015  
Leslie

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Mr. Paul Baker, Minerals Program Manager  
Division of Oil, Gas & Mining  
Utah Department of Natural Resources  
1594 West North Temple, Suite 1210  
P.O. Box 145801  
Salt Lake City, Utah 84114-5801

January 30, 2009

Dear Mr. Baker:

Subject: Large Mining Operations 2008 Progress Report  
January 1, 2008 to December 31, 2008  
M/035/015  
North Tailing Impoundment

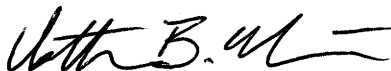
Please find attached Form MR-AR for permit number M/035/015, North Tailing Impoundment.

Updated drawings are included with this annual report.

Also, please find the initial KUCC document *UDOGM Annual Reporting Register* which was presented and discussed at our meeting in December 2008. While this document is still being refined, we believe it will be a helpful tool for both KUCC and the Division to provide, at a glance, the status of all current permits. KUCC looks forward to working with the Division to further develop this tool.

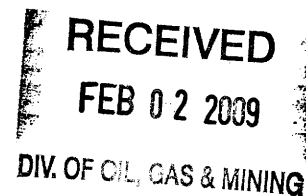
If you have any questions about these annual reports, please contact me at 801.569.7427 or Glenn Eurick at 801.204.2113.

Sincerely,



Chris Kaiser  
Principal Advisor, Environmental Operations Support

C: Dana Dean (UDOGM)



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**STATE OF UTAH**  
**DEPARTMENT OF NATURAL RESOURCES**  
**DIVISION OF OIL, GAS AND MINING**  
1594 West North Temple - Suite 1210  
Box 145801  
Salt Lake City, Utah 84114-5801  
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**LARGE MINING OPERATIONS 2008 PROGRESS REPORT**  
**January 1, 2008 to December 31, 2008**

The information required in this form are based on provisions of the Mined Land Reclamation Act, Title 40-8, and the rules as under the Utah Minerals Regulatory Program.

1. Mine Permit Number: *M/035/015*
2. Mine Name: *North (Tailing) Impoundment*
3. Name of Operator/Permittee: *Kennecott Utah Copper Corporation (KUCC)*  
Note: If Operator's address, company representative or phone number have changed, please provide a replacement page for the Notice of Intention.

4. Mine Location:

*S1/2 S1/2, Section 31, Township 1N, Range 2W;*  
*S1/2 SW1/4, Section 32, Township 1N, Range 2 W;*  
*S1/2 S1/2, Section 35, Township 1N, Range 3 W;*  
*S1/2 S1/2, Section 36, Township 1N, Range 3 W;*  
*SW1/4 SW 1/4 SW 1/4, Section 4, Township 1S, Range 2W;*  
*Section 5 and 6, Township 1S, Range 2W;*  
*N1/2 N1/2, Section 7, Township 1S, Range 2W;*  
*N1/2 N1/2, Section 8 Township 1S, Range 2W;*  
*Eastern Border Section 8, Township 1S, Range 2W;*  
*W1/2 W1/2, Section 9, Township 1S, Range 2W;*  
*E 1/2, Section 17, Township 1S, Range 2W;*  
*Section 1, 2 and 10, Township 1S, Range 3W;*  
*E1/2, Section 3, Township 1S, Range 3W;*  
*N1/2 and SW1/4, Section 11, Township 1S, Range 3W;*  
*N1/2 NE 1/4, Section 12, Township 1S, Range 3W;*  
*N1/2 Section 15, Township 1S, Range 3W;*

5. Report the gross amount of ore mined and waste moved, and the disposition of the materials (onsite stockpiles, sold, waste pile, regraded, etc.):

Gross Ore Mined	0	Tons
Waste Material Moved	53,849,416	Tons tailings
New Disturbance	0	Acres during 2008
Area Reclaimed	151	Acres during 2008
Total Disturbed Area	3099	Acres*

*\*Total mine disturbance from the beginning of mining operations through the end of 2008*

Was the ore shipped off site? If not, where is the ore located?

*No ore was generated or shipped off site*

Where is the waste located?

*A total of 53,849,416 short tons of tailings were deposited in the North Impoundment in 2008. This comprised 53,113,838 tons from the Copperton Concentrator, 671,138 dry tons of tailings from the smelter slag mill and 64,440 dry tons of tailings from the smelter hydrometallurgical plant. Active tailings disposal continued on the North Impoundment through 2008. Similar to years prior, between March and November, tailings were cycloned and coarser underflow was used to construct the North Embankment, while the finer overflow was placed within the Impoundment Interior. Throughout January, February and December, whole (non-cycloned) tailings were deposited into the interior.*

*No additional acreage was disturbed in 2008. Tailings deposition continued within the existing disturbed footprint. The North Impoundment disturbed area, bounded by the perimeter road constructed in 1999 and the base of the South (Magna) Impoundment, remains within the permitted area of 3,334 acres allocated for the North Impoundment. By the end of 2008 that area was approximately 3,250 acres. The North impoundment surface area will increase slightly over time as the North Impoundment height is progressively increased up the embankment slope of the existing South Impoundment.*

6. Briefly describe the reclamation work performed during the past year. A map showing reclaimed areas and dates is suggested. (Submit form MR-SITE for an application for full or partial bond/site release).

*Reclamation was performed on 151 acres. Reclamation included drill seeding and fertilizing consistent with that conducted on the South impoundment*

7. **Include an updated map depicting surface disturbance and reclamation performed during the year**, prepared in accordance with Rule R647-4-105.

*Drawing 454-T-0211 is also attached depicting existing facilities. See also DWG 2008SoilAmendmentsNorthSouthTailings4thQtrDrawing*

**I hereby certify, under penalties of law, the information provided in this report is true and correct to the best of my knowledge and belief.**

Name (Typed or Print): *Chris Kaiser*

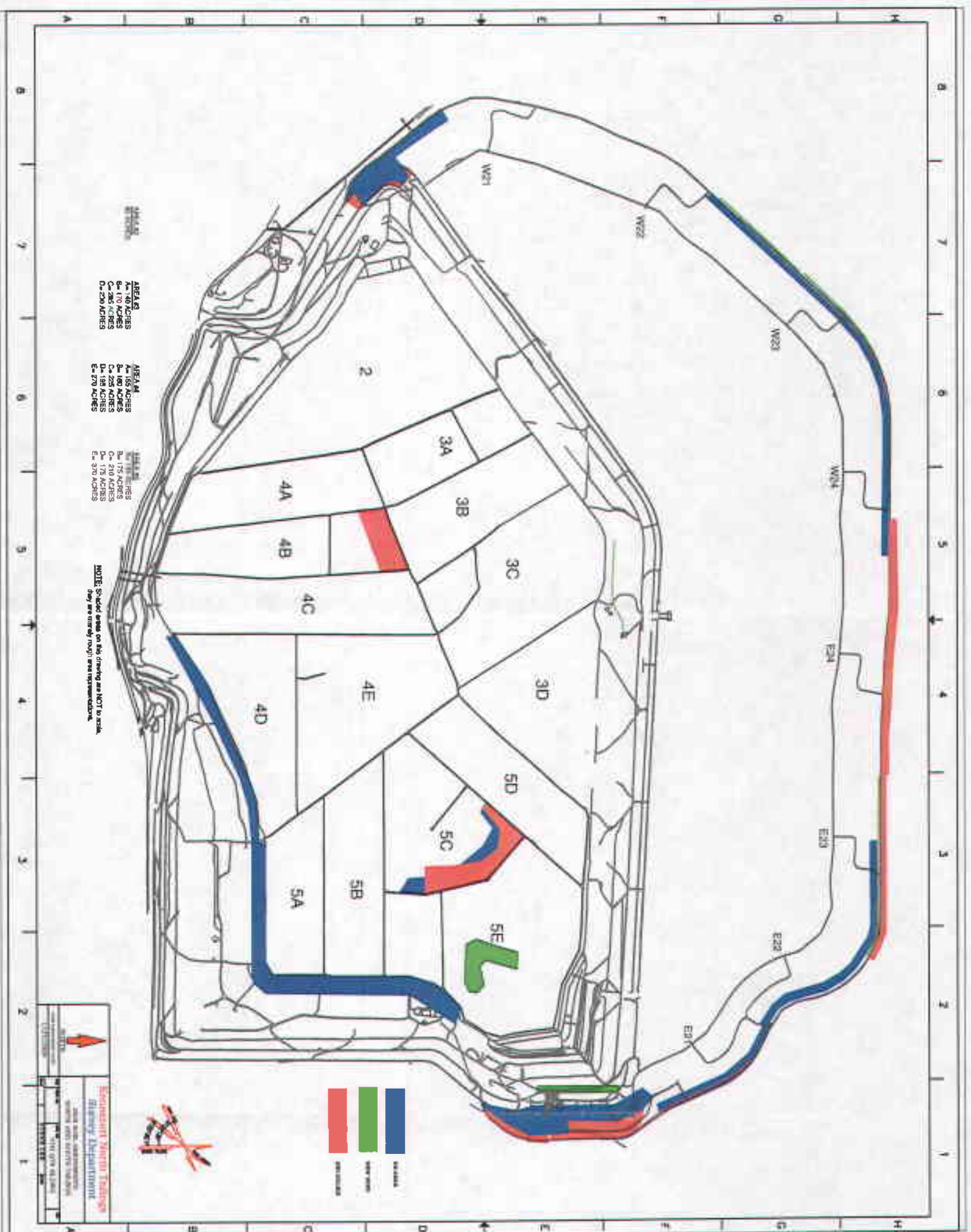
Title of Operator: *Principal Advisor – Environmental Operation Support*

Signature of Operator: 

Date: January 29, 2009







2008												
M&RP	PLANT	AREA / PROJECT	Planned					Additional				
			BAT	Experimental	Demolition	Status	% Complete	\$ Estimated	BAT	Experimental	Demolition	Status
M/035/002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area- Lower 5990 section	(1) re-grading and cover riprap on the bottom half of the 5990 foot elevation @ 16 acres (2) placement of growth media that was salvaged in the fall of 2007 (3) outer face will be capped with an average of 2 feet of growth media to achieve a nominal depth of 18-36 inches (4) seeding @ 16 acres (5) planting of 4000 two-year old seedlings @ 16 acres			(1) 16 acres of 60 acres completed (2)&(3) Growth media placement completed (4) Completed seeding (5) Planted 2000 / wintering 2000 (Gamble Oak & Cunt Leaf Mountain Mahogany) @ ~40/acre each species w/each seedling inoculated with mycorrhizae (vesicular-arbuscular)	(1) 27% (2) 100% (3) 100% (4) 100% (5) 50%	(1) \$501,934.00 <sup>+</sup> (2) - (3) - (4) \$4510.49 (5) \$13550.00				
M/035/002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area- Upper 6190 section	(1) complete salvage of growth media (2) re-grade @ 2.75:1 (3) place growth media (4) seed			(1) Completed (2) To continue once soil stockpile relocated to lower half of 5990 area (3) Suspended (4) To be completed 2009	(1) 100% (2) 50% (3) 15% (4) 0%	(1) - (2) - (3) - (4) \$0				
M/035/002	Bingham Canyon	Lower Bingham Canyon waste rock disposal area- Upper 6190 section	(1) initiate re-grading at 2:1 slope (2) place growth media (3) vegetate			(1) Postponed until 2009 (2) Postponed until 2009 (3) Postponed until 2009	(1) 0% (2) 0% (3) 0%	(1) \$0 (2) \$0 (3) \$0				
M/035/002	Bingham Canyon	Store and release cover	(1) complete design modeling (2) conduct field trials of the various designs			(1) Complete in 2009 Additional field sampling of potential cover material sources required to complete modeling (2) initiate field trials in 2009	(1) 75% (2) 0%	(1) \$45,000				
M/035/002	Bingham Canyon	Arthur Concentrator	(1) material demolition and removal (2) clean borrow placement (3) re-grading and revegetating				(1) 100% (2) 100% (3) 100%	(1) (2) (3)				
M/035/002	Bingham Canyon	Bonneville Crusher	(1) Vegetate remaining @ 50 acres of 65 acre site			(1) Complete @ 45 acres grasses @ 5 acres shrubs	(1) 100%	(1)				
M/035/002	Bingham Canyon	E1 & W1 Pump Stations	(1) demolition (2) removal (3) re-grading (4) revegetating			(1)-(4) Initiation of work scheduled for 2009 / Work in 2008 suspended due to access & budgeting constraints	(1) 0% (2) 0% (3) 0% (4) 0%	(1) (2) (3) (4)				
M/035/002	Bingham Canyon	North (Magna) Concentrator	(1) Vegetate @ 16.2 acres grasses @ 1.8 acres shrubs			(1) 18 acres seeded in Q4 of 2007 but not reported until 2008	(1) 100%	(1)				



M/035/002	Bingham Canyon	Precipitation Plant			(1) complete final re- grading (2) complete seeding @ 20 acres	(1) Essentially complete (2) Essentially complete @ 17 acres grasses @ 3 acres shrubs	(1) 95% (2) 95%	(1) (2)		(1) Third-party review of soil characteristics of Bingham Canyon growth media	(1) Third-party test plot monitoring for seeding success & technical review						(1) \$300
M/035/002	Bingham Canyon	Growth media															(1) \$5000
M/035/002	Bingham Canyon	Test plots															
M/035/002	South Tailing	Entire	(1) Initial drill seeding @ 100 acres			(1) 124 acres completed	(1) 124%										
M/035/002	South Tailing	Entire	(1) Supplemental drill seeding @ 300 acres			(1) 203 acres	(1) 68%										
M/035/002	South Tailing	Entire	(1) Minor contouring & leveling as required			(1) Complete	(1) 100%										
M/035/002	South Tailing	Entire	(1) Crushed limestone application for hydro/over seeding @ 100 acres			(1) 0	(1) 0%										
M/035/002	South Tailing	Entire	(1) Limestone diskng to 8" for hydro/over seeding @ 150 acres			(1) 0	(1) 0%										
M/035/002	South Tailing	Entire	(1) Bio-solids (woodchips) application @ 150 acres			(1) 96 acres	(1) 64%										
M/035/009	Barneys Canyon									(1) Recontour erosion area of old reclamation area @ ~2 acres							(1) Internal cost not accounted for
M/035/009	Barneys Canyon																
M/035/011	Contaminator		(1) 0			(1) 0											
M/035/015	North Tailing	Entire	(1) Initial drill seeding @ 100 acres			(1) 24 acres	(1) 24%										
M/035/015	North Tailing	Entire	(1) Supplemental drill seeding @ 350 acres			(1) 65 acres	(1) 19%										
M/035/015	North Tailing	Entire	(1) Bio-solids (woodchips) application @ 150 acres			(1) 0 acres	(1) 0%										
M/035/015	North Tailing	Entire	(1) Spray application of hydrated lime @ 10 acres			(1) 0	(1) 0										
M/045/004	Pine Canyon		(1) 0			(1) 0											
1-20080227 Board Presentation under 20080421 Reclamation Activities Plan																	
2-Expend a minimum average of \$50,000 - 1976 dollar per year for each three year period, in maintaining a program of revegetation and in the application of BAT toward rehabilitation of land																	
3-Information Incorporated: GHA reclamation activities assessment																	